

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

RECEIVED

APR 14 2004

ARIZONA CORPORATION COMMISSION
DIRECTOR OF UTILITIES

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

P

W-01676A
Pineview Land and Water Company, Inc.
5198 Cub Lake Rd.
Show Low AZ 85901

ANNUAL REPORT

FOR YEAR ENDING

| | | |
|----|----|------|
| 12 | 31 | 2003 |
|----|----|------|

FOR COMMISSION USE

| | |
|-------|----|
| Ann04 | 03 |
|-------|----|

COMPANY INFORMATION

| | | | |
|--|--|---|------------------------------------|
| Company Name (Business Name) <u>Pineview WATER Company, Inc.</u> | | | |
| Mailing Address <u>5198 Cub Lake Road</u> | | | |
| <u>Show Low</u> (City) | | <u>ARIZONA</u> (State) | <u>85901</u> (Zip) |
| <u>(928) 537-4858</u> Telephone No. (Include Area Code) | <u>(928) 537-2180</u> Fax No. (Include Area Code) | <u>(928) 243-0954</u> Pager/Cell No. (Include Area Code) | |
| Email Address <u>Kratchmeir@oc-net.com</u> | | | |
| Local Office Mailing Address <u>SAME AS ABOVE</u> | | | |
| (City) | | (State) | (Zip) |
| Local Office Telephone No. (Include Area Code) | | Fax No. (Include Area Code) | Pager/Cell No. (Include Area Code) |
| Email Address _____ | | | |

MANAGEMENT INFORMATION

| | | | |
|--|--|---|---------------------------|
| Management Contact: <u>Ernie Sutter</u> | | <u>Vice President</u> | |
| (Name) | | (Title) | |
| <u>1720 Forest Ave.</u> (Street) | | <u>Lakeside</u> (City) | <u>ARIZONA</u> (State) |
| <u>85929</u> (Zip) | | | |
| <u>(928) 537-4858</u> Telephone No. (Include Area Code) | <u>(928) 537-2180</u> Fax No. (Include Area Code) | <u>(602) 421-8082</u> Pager/Cell No. (Include Area Code) | |
| Email Address _____ | | | |
| On Site Manager: <u>Ronald L. McDonald</u> | | <u>General Manager</u> | |
| (Name) | | | |
| <u>5198 Cub Lake Road</u> (Street) | | <u>Show Low</u> (City) | <u>ARIZONA</u> (State) |
| <u>85901</u> (Zip) | | | |
| <u>(928) 537-4858</u> Telephone No. (Include Area Code) | <u>(928) 537-2180</u> Fax No. (Include Area Code) | <u>(928) 243-0954</u> Pager/Cell No. (Include Area Code) | |
| Email Address <u>Kratchmeir@oc-net.com</u> | | | |

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: Richard L. Sallquist
(Name)

2525 EAST Arizona Biltmore Cir. Suite A-117
(Street) (City) (State) (Zip)

(602) 224-9222 (602) 224-9366
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Attorney: Sallquist & Drummond, P.C.
(Name)

2525 EAST ARIZONA Biltmore Circle, Phoenix, Arizona
(Street) (City) (State) (Zip)

(602) 224-9222 (602) 224-9366
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email = dick@sd-law.com

☒ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---|--|
| <input type="checkbox"/> Sole Proprietor (S) | <input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|--|-----------------------------------|-----------------------------------|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input checked="" type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

COMPANY NAME
PINEVIEW WATER COMPANY, INC.

UTILITY PLANT IN SERVICE

| Acct. No. | DESCRIPTION | Original Cost (OC) | Accumulated Depreciation (AD) | O.C.L.D. (OC less AD) |
|------------------|--|---------------------------|--------------------------------------|------------------------------|
| 301 | Organization | | | |
| 302 | Franchises | | | |
| 303 | Land and Land Rights | 73,175 | | 73,175 |
| 304 | Structures and Improvements | 94,930 | 89,361 | 5,569 |
| 307 | Wells and Springs | 239,855 | 119,230 | 120,625 |
| 311 | Pumping Equipment | 104,629 | 100,552 | 4,077 |
| 320 | Water Treatment Equipment | | | |
| 330 | Distribution Reservoirs and Standpipes | 304,911 | 249,378 | 55,533 |
| 331 | Transmission and Distribution Mains | 1,057,174 | 346,385 | 710,789 |
| 333 | Services | 10,116 | 9,990 | 126 |
| 334 | Meters and Meter Installations | 185,262 | 132,699 | 52,563 |
| 335 | Hydrants | 14,810 | 6,560 | 8,250 |
| 336 | Backflow Prevention Devices | | | |
| 339 | Other Plant and Misc. Equipment | 40,209 | 38,884 | 1,325 |
| 340 | Office Furniture and Equipment | 28,994 | 9,566 | 19,428 |
| 341 | Transportation Equipment | 8,343 | 6,460 | 1,883 |
| 343 | Tools, Shop and Garage Equipment | | | |
| 344 | Laboratory Equipment | | | |
| 345 | Power Operated Equipment | | | |
| 346 | Communication Equipment | 533 | 176 | 357 |
| 347 | Miscellaneous Equipment | | | |
| 348 | Other Tangible Plant | | | |
| | TOTALS | 2,162,941 | 1,109,241 | 1,053,700 |

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME**PINEVIEW WATER COMPANY, INC.****CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

| Acct. No. | DESCRIPTION | Original Cost (1) | Depreciation Percentage (2) | Depreciation Expense (1x2) |
|----------------------|--|------------------------------|--|---------------------------------------|
| 301 | Organization | | | |
| 302 | Franchises | | | |
| 303 | Land and Land Rights | 73,175 | | |
| 304 | Structures and Improvements | 94,930 | 2.45% | 2,326 |
| 307 | Wells and Springs | 239,855 | 2.97% | 7,003 |
| 311 | Pumping Equipment | 104,629 | 15.00% | 926 |
| 320 | Water Treatment Equipment | | | |
| 330 | Distribution Reservoirs and Standpipes | 304,911 | 1.80% | 5,488 |
| 331 | Transmission and Distribution Mains | 1,057,174 | 2.00% | 19,734 |
| 333 | Services | 10,116 | 2.96% | 299 |
| 334 | Meters and Meter Installations | 185,262 | 3.82% | 6,808 |
| 335 | Hydrants | 14,810 | 1.94% | 219 |
| 336 | Backflow Prevention Devices | | | |
| 339 | Other Plant and Misc. Equipment | 40,209 | 4.95% | |
| 340 | Office Furniture and Equipment | 28,994 | 5.14% | 1,341 |
| 341 | Transportation Equipment | 8,343 | 20.00% | 753 |
| 343 | Tools, Shop and Garage Equipment | | | |
| 344 | Laboratory Equipment | | | |
| 345 | Power Operated Equipment | | | |
| 346 | Communication Equipment | 533 | 5.98% | 32 |
| 347 | Miscellaneous Equipment | | | |
| 348 | Other Tangible Plant | | | |
| | SUBTOTALS | 2,162,941 | | 44,929 |
| | Less: CIAC Amortization | | | 245 |
| | TOTALS | 2,162,941 | | 44,684 |

This amount goes on Comparative Statement of Income and Expense Acct. No. 403.

| |
|--|
| COMPANY NAME PINEVIEW WATER COMPANY, INC. |
|--|

BALANCE SHEET

| Acct. No. | | BALANCE AT BEGINNING OF YEAR | BALANCE AT END OF YEAR |
|----------------------|---|---|---------------------------------------|
| | ASSETS | | |
| | | | |
| | CURRENT AND ACCRUED ASSETS | | |
| 131 | Cash | \$ 32,036 | \$ 27,550 |
| 134 | Working Funds | | |
| 135 | Temporary Cash Investments | | |
| 141 | Customer Accounts Receivable | 37,964 | 42,124 |
| 146 | Notes/Receivables from Associated Companies | 13,181 | 23,060 |
| 151 | Plant Material and Supplies | | 7,782 |
| 162 | Prepayments | | |
| 174 | Miscellaneous Current and Accrued Assets | 11,587 | 4,500 |
| | TOTAL CURRENT AND ACCRUED ASSETS | \$ 94,768 | \$ 105,016 |
| | | | |
| | FIXED ASSETS | | |
| 101 | Utility Plant in Service | \$ 1,762,731 | \$ 2,162,941 |
| 103 | Property Held for Future Use | 105,000 | |
| 105 | Construction Work in Progress | | 6,983 |
| 108 | Accumulated Depreciation - Utility Plant | 776,886 | 1,109,241 |
| 121 | Non-Utility Property | | |
| 122 | Accumulated Depreciation - Non Utility | | |
| | TOTAL FIXED ASSETS | \$ 1,090,845 | \$ 1,060,683 |
| | | | |
| | TOTAL ASSETS | \$ 1,185,613 | \$ 1,165,699 |

NOTE: The Assets on this page should be equal to Total Liabilities and Capital on the following page

COMPANY NAME**PINEVIEW WATER COMPANY, INC.****BALANCE SHEET (CONTINUED)**

| Acct. No. | LIABILITIES | BALANCE AT BEGINNING OF YEAR | BALANCE AT END OF YEAR |
|----------------------|---|---|---------------------------------------|
| | CURRENT LIABILITES | | |
| 231 | Accounts Payable | \$ 336 | \$ 11,261 |
| 232 | Notes Payable (Current Portion) | | 29,600 |
| 234 | Notes/Accounts Payable to Associated Companies | | |
| 235 | Customer Deposits | 196,848 | 7,769 |
| 236 | Accrued Taxes | 19,293 | 23,712 |
| 237 | Accrued Interest | | |
| 241 | Miscellaneous Current and Accrued Liabilities | | 708 |
| | TOTAL CURRENT LIABILITIES | \$ 216,477 | \$ 73,050 |
| | LONG-TERM DEBT (Over 12 Months) | | |
| 224 | Long-Term Notes and Bonds | \$ 363,411 | \$ 350,727 |
| | DEFERRED CREDITS | | |
| 251 | Unamortized Premium on Debt | | |
| 252 | Advances in Aid of Construction | | 331,865 |
| 255 | Accumulated Deferred Investment Tax Credits | | |
| 271 | Contributions in Aid of Construction | | 15,334 |
| 272 | Less: Amortization of Contributions | | 622 |
| 281 | Accumulated Deferred Income Tax | | |
| | TOTAL DEFERRED CREDITS | \$ - | \$ 346,577 |
| | TOTAL LIABILITIES | \$ 579,888 | \$ 770,354 |
| | CAPITAL ACCOUNTS | | |
| 201 | Common Stock Issued | \$ 4,000 | \$ 4,000 |
| 211 | Paid in Capital in Excess of Par Value | 518,682 | 513,155 |
| 215 | Retained Earnings | 83,043 | (121,810) |
| 218 | Proprietary Capital (Sole Props and Partnerships) | | |
| | TOTAL CAPITAL | \$ 605,725 | \$ 395,345 |
| | TOTAL LIABILITIES AND CAPITAL | \$ 1,185,613 | \$ 1,165,699 |

COMPANY NAME**PINEVIEW WATER COMPANY, INC.****COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

| Acct. No. | OPERATING REVENUES | PRIOR YEAR | CURRENT YEAR |
|----------------------|---|--------------------|---------------------|
| 461 | Metered Water Revenue | \$ 466,972 | \$ 492,378 |
| 460 | Unmetered Water Revenue | 3,341 | 1,097 |
| 474 | Other Water Revenues | 4,889 | 4,163 |
| | TOTAL REVENUES | \$ 475,202 | \$ 497,638 |
| | | | |
| | OPERATING EXPENSES | | |
| 601 | Salaries and Wages | \$ 169,839 | \$ 212,095 |
| 610 | Purchased Water | | |
| 615 | Purchased Power | 40,242 | 42,810 |
| 618 | Chemicals | 1,733 | 2,116 |
| 620 | Repairs and Maintenance | 52,818 | 29,243 |
| 621 | Office Supplies and Expense | 39,508 | 9,844 |
| 630 | Outside Services | 23,183 | 11,558 |
| 635 | Water Testing | 2,582 | 1,694 |
| 641 | Rents | 36,466 | 52,035 |
| 650 | Transportation Expenses | 3,178 | 4,987 |
| 657 | Insurance - General Liability | 9,606 | 9,491 |
| 659 | Insurance - Health and Life | 5,823 | 12,675 |
| 666 | Regulatory Commission Expense - Rate Case | | |
| 675 | Miscellaneous Expense | 6,162 | 42,002 |
| 403 | Depreciation Expense | 41,027 | 44,684 |
| 408 | Taxes Other Than Income | 14,699 | 21,410 |
| 408.11 | Property Taxes | 25,514 | 22,926 |
| 409 | Income Tax | 50 | 50 |
| | TOTAL OPERATING EXPENSES | \$ 472,430 | \$ 519,620 |
| | | | |
| | OTHER INCOME/EXPENSE | | |
| 419 | Interest and Dividend Income | \$ 39 | \$ 2 |
| 421 | Non-Utility Income | 3,585 | 1,950 |
| 426 | Miscellaneous Non-Utility Expenses | | |
| 427 | Interest Expense | 15,628 | 16,328 |
| | TOTAL OTHER INCOME/EXP | \$ (12,004) | \$ (14,376) |
| | | | |
| | NET INCOME/(LOSS) | \$ (9,232) | \$ (36,358) |

COMPANY NAME PINEVIEW WATER COMPANY, INC.

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

| | LOAN #1 | LOAN #2 | LOAN #3 | LOAN #4 |
|------------------------|---------------------|----------------|----------------|----------------|
| Date Issued | 12/15/99 | | | |
| Source of Loan | WIFA | | | |
| ACC Decision No. | | | | |
| Reason for Loan | Capital Improvement | | | |
| Dollar Amount Issued | \$522,753 | \$ | \$ | \$ |
| Amount Outstanding | \$380,327 | \$ | \$ | \$ |
| Date of Maturity | 12/15/19 | | | |
| Interest Rate | 5.43% | | | |
| Current Year Interest | \$14,279 | \$ | \$ | \$ |
| Current Year Principle | \$32,915 | \$ | \$ | \$ |

Meter Deposit Balance at Test Year End

\$88,392

Meter Deposits Refunded During the Test Year

\$4,778

COMPANY NAME: Pineview Water Company, Inc.

WATER COMPANY PLANT DESCRIPTION

WELLS

| ADWR ID Number* | Pump Horsepower | Pump Yield (Gpm) | Casing Depth (Feet) | Casing Diameter (Inches) | Meter Size (inches) | Year Drilled |
|----------------------------|----------------------------|-----------------------------|------------------------------------|---|--------------------------------|-------------------------|
| 55-608847 | 30 | 115 | 660 | 6 | 3 | 1984 |
| 55-608846 | 40 | 115 | 800 | 8 | 3 | 1977 |
| 55-565467 | 40 | 130 | 820 | 10 | 3 | 1997 |
| 55-521710 | 40 | 113 | 750 | 8 | 3 | 1988 |
| | | | | | | |
| | | | | | | |

- Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

| Name or Description | Capacity (gpm) | Gallons Purchased or Obtained (in thousands) |
|----------------------------|---------------------------|---|
| N/A | | |
| | | |

| BOOSTER PUMPS | | FIRE HYDRANTS | |
|----------------------|----------|----------------------|--|
| 10 | 1 | 68 | |
| 15 | 4 | | |
| 40 | 1 | | |
| | | | |
| | | | |

| STORAGE TANKS | | PRESSURE TANKS | |
|----------------------|-----------------|-----------------------|-----------------|
| Capacity | Quantity | Capacity | Quantity |
| 10 | 1 | 6800 | 1 |
| 15 | 4 | 5000 | 2 |
| 40 | 1 | | |
| | | | |

COMPANY NAME: Pineview Water Company, Inc.

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

| Size (in inches) | Material | Length (in feet) |
|------------------|----------|------------------|
| 2 | PVC | 6,560 |
| 3 | ACP | 760 |
| 4 | PVC | 18,630 |
| 5 | | |
| 6 | PVC | 72,338 |
| 8 | PVC | 12,268 |
| 10 | | 0 |
| 12 | PVC | 7,523 |
| 2 | STEEL | 150 |
| 4 | AC | 23,700 |
| 6 | AC | 3,750 |
| | | |
| | | |

CUSTOMER METERS

| Size(in inches) | Quantity |
|-----------------|----------|
| 5/8 X 3/4 | 832 |
| 3/4 | 66 |
| 1 | 11 |
| 1 1/2 | 5 |
| 2 | 21 |
| Turbo 3 | 0 |
| Comp. 3 | 1 |
| Turbo 4 | 0 |
| Comp. 4 | 0 |
| Turbo. 6 | 0 |
| Comp. 6 | 0 |
| | |
| | |

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

STRUCTURES:

Well site #1 150' x 150' chain link fencing, 6' x 8' well house, 12' x 20' block building

Well site #2 60' x 80' chain link fencing, 6' x 8' well house, 15' x 30' block building with 4' x 5' chlorination room

Well site #3 4' x 8' well house, 30' x 40' stucco building, site in the construction yard

Well site #4 150' x 100' chain link fencing, 3' x 8' well house, 18' 30' block building

Other:

WATER USE DATA SHEET 2003

| | |
|--|-------------------------------|
| <u>NAME OF COMPANY</u> → | Pineview Water Company |
| ADEQ Public Water System No. | 09-022 |

| MONTH/YEAR (Last 12 Months) | NUMBER OF <u>CUSTOMERS</u> | Gallons Sold (Thousands) | |
|-----------------------------------|-------------------------------|--------------------------|--|
| January 2003 | 900 | 5,455,249 | |
| February | 901 | 4,849,644 | |
| March | 899 | 2,978,950 | |
| April | 902 | 5,619,190 | |
| May | 905 | 9,757,596 | |
| June | 906 | 12,380,777 | |
| July | 944 | 13,158,410 | |
| August | 922 | 7,739,551 | |
| September | 928 | 7,957,146 | |
| October | 936 | 6,337,574 | |
| November | 937 | 5,979,921 | |
| December | 937 | 4,577,589 | |
| Total Metered Gallons Sold | | 86,791,597 | |

| STORAGE TANK CAPACITY (Gallons) | NUMBER OF EACH | ARIZONA DEPT. OF WATER RESOURCES WELL I.D. NUMBER | WELL PRODUCTION (Gallons per Minute) |
|---|-------------------|---|---|
| 48,665.24 | 1 | 55-608847 | 115.00 |
| 235,981.24 | 1 | 55-608846 | 115.00 |
| 246,896.90 | 1 | 55-565467 | 130.00 |
| | | 55-521710 | 113.00 |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| Other Water Sources in Gallons per Minute : | | | NA |
| Fire Hydrants on System | | | (Yes) No |
| Total Water Pumped Last 13 Months (Gallons in Thousands) | | | 90,795,754 |

COMPANY NAME PINEVIEW WATER COMPANY, INC. **YEAR ENDING 12/31/2003**

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2003 was: \$ 24,445

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled Checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain reasons below:

COMPANY NAME PINEVIEW WATER COMPANY, INC.

YEAR ENDING 12/31/2003

INCOME TAXES**RECEIVED**

APR 14 2004

For this reporting period, provide the following:

| | |
|---|-----------------|
| Federal Taxable Income Reported | <u>(36,358)</u> |
| Estimated or Actual Federal Tax Liability | <u>0</u> |

**WZ CORPORATION COMMISSIONER
DIRECTOR OF UTILITIES**

| | |
|---|-----------------|
| State Taxable Income Reported | <u>(36,358)</u> |
| Estimated or Actual State Tax Liability | <u>45</u> |

Amount of Grossed-Up Contributions/Advances:

| | |
|---|------------|
| Amount of Contributions/Advances | <u>N/A</u> |
| Amount of Gross-Up Tax Collected | <u>N/A</u> |
| Total Grossed-Up Contributions/Advances | <u>N/A</u> |

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

Ernest E. Sutter
SIGNATURE

4/9/04
DATE

Ernest E. Sutter
PRINTED NAME

Vice President
TITLE

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

RECEIVED

APR 14 2004

**ARIZONA CORPORATION COMMISSION
DIRECTOR OF UTILITIES**

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

| | | | |
|---------------------------------|-------------------------------------|--------------|------------------------|
| (COUNTY NAME) | NAVAJO | | |
| NAME (OWNER OR OFFICIAL) | RON MCDONALD | TITLE | GENERAL MANAGER |
| COMPANY NAME | PINEVIEW WATER COMPANY, INC. | | |

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

| | | |
|--------------|------------|-------------|
| MONTH | DAY | YEAR |
| 12 | 31 | 2003 |

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2003 WAS:

| |
|--|
| ARIZONA INTRASTATE GROSS OPERATING REVENUES |
| \$ 347,871 |

**(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 20,985
IN SALES TAXES BILLED, OR COLLECTED**

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**

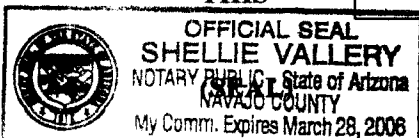
X *Ronald L McDonald*
SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 9th **DAY OF**

| | |
|---------------------------|-------------|
| NOTARY PUBLIC NAME | |
| <i>Shellie Vallery</i> | |
| COUNTY NAME | |
| <i>Navajo</i> | |
| MONTH | 2004 |
| <i>April</i> | |



MY COMMISSION EXPIRES 3/28/06

X *Shellie Vallery*
SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT**
Intrastate Revenues Only

RECEIVED

APR 14 2004

AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

VERIFICATION
STATE OF ARIZONA
I, THE UNDERSIGNED
OF THE

| |
|--|
| COUNTY OF (COUNTY NAME) NAVAJO |
| NAME (OWNER OR OFFICIAL) TITLE RON MCDONALD, GENERAL MANAGER |
| COMPANY NAME PINEVIEW WATER COMPANY, INC. |

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

| | | |
|--------------------|------------------|---------------------|
| MONTH 12 | DAY 31 | YEAR 2003 |
|--------------------|------------------|---------------------|

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2003 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$ 529,584

**(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 31,946
IN SALES TAXES BILLED, OR COLLECTED**

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**


SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS Navajo 4/9/04 **DAY OF**

(SEAL)

MY COMMISSION EXPIRES 3/28/04



SIGNATURE OF OWNER OR OFFICIAL
(928) 537-4858

TELEPHONE NUMBER

| | |
|------------------------------|---------------------|
| COUNTY NAME <u>Navajo</u> | |
| MONTH <u>April</u> | YEAR <u>2004</u> |



SIGNATURE OF NOTARY PUBLIC

